



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

December 27, 2005

Jimmy D. Carlile
Fasken Oil and Ranch, Ltd.
303 West Wall, Suite 1800
Midland, TX 79701

RECEIVED

JAN 03 2006

GOOD-ARTESIA

RE: Application for Salt Water Disposal

Avalon "1" Federal Well No. 3

30-015-31199

Surface Location: 2,762 FSL, 2,075 FEL, Bottom Location: 615 FSL, 684 FWL

Section 1, Township 21 South, Range 26 East, NMPM, Eddy County, NM

Openhole injection into Delaware and Bone Spring from 2,739 to 4,509 TVD

Dear Mr. Carlile:

This application to inject oil field salt laden wastewater into a deviated open hole interval under or near the Capitan Reef and under Lake Avalon near the town of Carlsbad is beyond the scope of an administrative application. Accordingly, this application is being denied, just as it was denied earlier this year on February 7, 2005.

It is our policy at this time to require applicants to draft all hearing applications. If you wish to have this matter heard by a Division appointed hearing examiner in Santa Fe, please consult your attorney to draft your application for hearing, and provide notice of the hearing application to all parties required in the Division rules and also provide notice to the Bureau of Reclamation (Mr. Rik Arndt), the Carlsbad Irrigation District, and the US BLM in Carlsbad.

Many Regards,

William V. Jones, P.E.

Engineer Reviewing SWD Applications

Cc:

Oil Conservation Division – Artesia

Bureau of Reclamation – Albuquerque (Rik Arndt)

Bureau of Land Management – Carlsbad

Accepted for record - NMOCD
/s/

W. Thomas Kellahin

as attorney for Fasken Oil and Ranch, Ltd.

PO Box 2265

Santa Fe, NM 87504-2265